

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

Voluntary - Public

Clearance Office: Office of Global Analysis (OGA)

Date: 4/8/2009

GAIN Report Number: SA9011

Saudi Arabia

Post: Riyadh

Saudi Arabia Issues its Second Wheat Tender for 2009

Report Categories:

Grain and Feed

Approved By:

Ron Verdonk

Prepared By:

Hussein Mousa

Report Highlights:

On March 23, 2009, the Grain Silos and Flour Mills Organization (GSFMO), the Government agency in Saudi Arabia responsible for purchasing wheat, milling and distribution of wheat flour, issued an international tender to purchase 495,000 metric tons of wheat. The GSFMO established a five day deadline to receive offers which ended on March 27. The tender was the second wheat import request issued this calendar year by the Saudi government. The first tender was issued on January 5, 2009 for the same quantity of bulk wheat.

General Information:

Author Defined:

Saudi Arabia Issues Second Wheat Tender for 2009

On March 23, 2009, the Grain Silos and Flour Mills Organization (GSFMO), the government agency in Saudi Arabia responsible for purchasing wheat, milling and distribution of wheat flour, issued an international tender to purchase 495,000 metric tons of wheat. The GSFMO established a five day deadline to receive offers which ended on March 27. The tender was the second wheat import request issued this calendar year by the Saudi government. The first tender was issued on January 5, 2009 for the same quantity of bulk wheat.

Below is the delivery schedule issued on the March 23rd tender:

Jeddah Sea Port		Dammam Sea Port	
Delivery Dates	Quantity (+/-5%)	Delivery Dates	Quantity (+/-5%)
20-30 May, 09	55,000 MT	20-30 May, 09	55,000 MT
10-20 June, 09	55,000 MT	15-25 June, 09	55,000 MT
01-10 July, 09	55,000 MT	10-20 July, 09	55,000 MT
20-30 July, 09	55,000 MT	05-15 Aug, 09	55,000 MT
10-20 Aug, 09	55,000 MT	---	---
Total Quantity	275,000 MT		220,000 MT

Tender Results

Canada and Germany won the tender at C&F out of Jeddah and Dammam ports with average price of \$259 per metric ton. Canada will export 385,000 metric tons while Germany will supply 110,000 metric tons specified by the delivery schedules.

The following wheat import specifications are provided by the GSFMO

1. Wheat Type

Hard wheat for human consumption

2. Quality

Not less than Grade II or supplying country equivalent.

3. Country of Origin

Wheat must be sourced from, United States of America, Canada, Argentina, Western Europe, or Australia.

4. Technical Specifications

Protein (As dry basis)/(0% Moisture basis)	14	%	Min
Protein (11% Moisture basis)	12.5	%	Min
Protein (12% Moisture basis)	12.3	%	Min
Moisture	13*	%	Max
Test weight	77	Kg/HL	Min
1000 Kernel weight	29	g	Min
Falling number	250	Sec.	Min
Wet gluten	28	%	Min
Impurities and foreign matters	1	%	Max
Dockage (Where applicable)	1	%	Max
Shrunken and broken kernels	3**	%	Max
Damaged kernels	0.5	%	Max
Unnatural Odour/Flavour/Colour	Nil		
Ergot	Nil		

* Acceptable up to 14%, with 0.1 – 0.2 price rebate.

** Acceptable up to 4%, with 0.1 – 0.2 price rebate.

The wheat should be inspected to indicate the shipped cargo grade and to certify the following:

- The wheat has been harvested from the latest crop, and the shipment to be similar of type and crop year.
- The wheat is free from live insects, insects' live stages, bug damages, parasites, poisonous seeds, and/or remnants of rodents.
- The pesticide residues, radiation and mycotoxins, do not exceed the International Codex limits for hard wheat for human consumption.
- The wheat is not coming from genetically modified crop.